GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:364
ANSWERED ON:18.07.2017
Reduction in Agricultural Cost
Singh Shri Uday Pratap

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the details of the projects started by the Government to make better prices available to farmers for their produce and to double their income during the last two years and the current year, State/Union Territory-wise;

(b) whether the Government has constituted/proposes to constitute any Committee to suggest measures to reduce agricultural cost and determine appropriate price from time to time; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): During the last two years and the current year, the strategy of the Government is to focus on farmers' welfare by making farming viable. Farm viability is possible, when cost of cultivation is reduced, yields per unit of farm are increased and farmers get remunerative prices on their produce. The Department has been implementing various schemes through States/UTs to meet this objective, viz.

(i) Soil Health Card (SHC) scheme by which the farmers can know the major and minor nutrients available in their soils which will ensure judicious use of fertiliser application and thus save money of farmers. The balanced use of fertiliser will also enhance productivity and ensure higher returns to the farmers.

(ii) Neem Coated Urea is being promoted to regulate urea use, enhance its availability to the crop and reduces cost of fertilizer application. The entire quantity of domestically manufactured and imported urea is now neem coated.

(iii) Paramparagat Krishi Vikas Yojana (PKVY) is being implemented with a view to promote organic farming in the country. This will improve soil health and organic matter content and increase net income of the farmer so as to realise premium prices.
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(iv) The Pradhan Mantri Krishi Sinchai Yojana (PMKSY) is being implemented to expand cultivated area with assured irrigation, reduce wastage of water and improve water use efficiency.

(v) The National Agriculture Market Scheme (e-NAM) was launched on 14.04.2016 in 8 States viz. Gujarat, Telangana, Rajasthan, Madhya Pradesh, Uttar Pradesh, Haryana, Himachal Pradesh and Jharkhand covering 21 markets. The Scheme envisages initiation of e-marketing platform at national level and will support creation of infrastructure to enable e-marketing in 585 regulated markets across the country by March 2018. This innovative market process is revolutionizing agri markets by ensuring better price discovery, bringing in transparency and competition to enable farmers to get improved remuneration for their produce, moving towards 'One Nation One Market'.

(vi) Pradhan Mantri Fasal Bima Yojana (PMFBY) is being implemented from Kharif 2016 season. PMFBY has addressed all the shortcomings in the earlier schemes and is available to the farmers at very low rates of premium. This scheme would provide insurance cover for all stages of the crop cycle including post-harvest risks in specified instances.

(vii) The Government provides interest subvention of 3% on short-term crop loans up to Rs.3.00 lakh. Presently, loan is available to farmers at an interest rate of 7% per annum, which gets reduced to 4% on prompt repayment. Further, under Interest Subvention Scheme 2016-17, in order to provide relief to the farmers on occurrence of natural calamities, the interest subvention of 2% shall continue to be available to banks for the first year on the restructured amount. In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses against warehouse receipts, the benefit of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of upto six months post harvest on the same rate as available to crop loan.

(viii) In addition, the Government is implementing several Centrally Sponsored Schemes viz. National Food Security Mission (NFSM);

Mission for Integrated Development of Horticulture (MIDH); National Mission on Oilseeds & Oilpalm (NMOOP); National Mission for Sustainable Agriculture (NMSA); National Mission on Agricultural Extension & Technology (NMAET) and Rashtriya Krishi Vikas Yojana (RKVY).

(ix) The Government undertakes procurement of wheat and paddy under its 'MSP operations'. In addition, Government implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities not covered under the Minimum Price Support Scheme on the request of State/UT Government. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production.

Further, the Government is targeting to double the income of farmers by the year 2022. To achieve the target, the Department of Agriculture, Cooperation and Farmers' Welfare has constituted an Inter-Ministerial Committee to examine various dimensions of farmers income and to recommend an appropriate strategy for increasing it.

(b) & (c): MSP is notified for both Kharif & Rabi crops based on the recommendations of the Commission on Agriculture Costs & Prices (CACP). The Commission collects & analyses data on cost of cultivation and recommends MSP. To incentivise cultivation of pulses and oilseeds in the country, Government has announced bonus for Kharif 2017-18, over & above the approved MSP. Even during last year, Government had offered bonus over & above the MSP, in the case of pulses and oilseeds.

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